



Submission No 61

**Review of Australia's Relationship with the  
Countries of Africa**

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**Organisation:** Private Submission

## **Personal Submission to the Inquiry by the Joint Parliamentary Committee into Australia's Relations with Africa**

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### **Introduction**

This submission includes two propositions: the case for renewing Australia's membership of the International Fund for Agricultural Development; and the case for utilising a Landcare approach as an aid investment strategy in African countries to achieve sustainable agriculture and sustainable natural resource management for poor and vulnerable communities.

### **1. Case for Renewing Australia's membership of the International Fund for Agricultural Development (IFAD)<sup>2</sup>**

#### **Background to Issue**

IFAD is a specialised Rome-based agency of the United Nations, whose mandate is to combat rural hunger and poverty in developing countries.<sup>3</sup> Australia is a founding member of IFAD, and has committed a total of A\$50.3 million since 1977. In that time, IFAD has approved loans and grants to developing countries amounting to approximately US\$10 billion to finance projects with a total cost of approximately US\$ 25 billion. IFAD funds are provided as highly concessional loans and grants to the 115 developing countries that are members.

In 2003, Australia notified IFAD of its intention to withdraw from membership and ceased attending IFAD's Executive Board Meetings. The Joint Standing Committee on Treaties' review of Australia's IFAD membership in 2004<sup>4</sup> split the Committee, with all the then opposition members (6 Labor Party and 1 Democrat)

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<sup>1</sup> The author has worked in agriculture and natural resource and environmental management in a number of African countries including Somalia, Kenya, South Africa and Eritrea, as well as in Asia and the Pacific, over the last 20 years.

<sup>2</sup> Mr Andrew Macpherson and Mr Philip Young contributed to the development of this section of the submission.

<sup>3</sup> 75% of the world's poorest people, 800 million in total, live in rural areas and depend on agriculture for their livelihoods. (source: [www.ifad.org](http://www.ifad.org))

<sup>4</sup> Joint Standing Committee on Treaties, Report 60, June 2004

producing a dissenting report recommending against the withdrawal.<sup>5</sup> Australia nevertheless withdrew its membership on 1 July 2007. There are currently 164 Member States to the Agreement. Australia is the only Member State ever to have withdrawn from the Agreement.

### **Case for Renewing IFAD Membership:**

1. IFAD specifically provides support targeted for the long-term benefit of the rural poor in developing countries. Rural poverty is chronic in all African countries, including those which are experiencing rapid overall economic growth. Addressing rural poverty is an effective way of building national stability and reducing internal conflicts. Many conflicts have their roots in chronic rural poverty and deprivation
2. The IFAD mode of operation may be best described as rural development through micro-economic interventions. Interventions are targeted in a way which produces direct benefits at the level of the individual rural inhabitant or rural enterprise. This is in contrast to the other International Financial Institutions such as the World Bank and African Development Bank, which generally operate at the macro-level. IFAD's type of targeted approach is demonstrably effective as a means of reducing rural poverty, and it is complementary to other macro-style interventions being employed by larger organisations.
3. IFAD has a proven capacity to operate in situations where there are hostile or incompetent Governments (Sudan, Cambodia), to the benefit of rural people who would otherwise be deprived of development assistance. In the Sudan case, IFAD interventions are currently ameliorating factors of competition over rural resources (farmland and water) which have produced internal ethnic conflicts (Darfur). There would be more Darfur-type scenarios without the continued intervention of such IFAD projects.
4. There are many instances where an approach which has been pioneered by IFAD has been adopted and up-scaled by other development institutions and developing country Governments.
5. IFAD has a small professional staff, and relies heavily on external consultants to provide professional services during project design, implementation and evaluation. In the past, a relatively high proportion of Australian consultants have participated in these processes, a recognition of Australian expertise in farming and rural disciplines, especially in demanding physical environments. Australia's agricultural systems, science and technology, and overall expertise are particularly relevant to these countries. This is not currently an option as consultants cannot be hired from non-members.
6. Agricultural production, food security, household incomes, and political security are closely linked in the strongly agrarian economies in Africa as well as in our region. Climate change impacts have the potential to produce further

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<sup>5</sup> IBID: Dissenting Report—Mr Kim Wilkie MP (Deputy Chair), Senator Andrew Bartlett, Senator Linda Kirk, Senator Gavin Marshall, Senator Ursula Stephens, Hon Dick Adams MP and Mr Martyn Evans MP.

political destabilisation. The need for rapid community adaptation to the threat of climate change is currently a priority for Australian aid investment, particularly for poor and vulnerable communities. IFAD is also specifically targeting this area both within Africa and in South-East Asia and the Pacific.

7. IFAD is also an implementing agency for the Global Environment Facility (GEF) and its grants program. It is recognised that the South Pacific countries in particular have been unable to attract significant GEF grants. Consequently, upon renewing its membership, Australia may utilise its influence on IFAD to leverage additional GEF investments to target the key GEF thematic areas of climate change mitigation and adaptation, land degradation, and biodiversity conservation in both African and Pacific Island Countries.
8. Renewing membership of IFAD allows Australia significant low-cost leverage and influence upon rural aid-targeting to the poor countries of Africa. Australia's bilateral development investments have significantly contracted away from Africa over the last decade, despite the relevance of our agricultural technology and expertise to these areas, and the abject poverty and extreme vulnerability of rural communities within these countries. Many African countries are particularly vulnerable to drought and climate change impacts and food shortages.
9. There is also a trade perspective which is important. Participation in IFAD projects by Australian consultants and suppliers enables identification of other profitable commercial activities for rural-related businesses which would not otherwise be evident. There are numerous examples whereby Australian businesses have benefited in the long-term from an initial IFAD sponsored activity. It is evident that the small annual contribution made by Australia to IFAD is recouped several times over by Australian individuals and small enterprises participating in attributable business activities.
10. Withdrawal from the Fund has already had a negative impact on Australian stakeholders and contractors with an estimated (in 2004) loss of revenue of approximately A\$5.96 million per year<sup>6</sup> to Australians through their inability to tender for goods and services with IFAD. This has particularly impacted upon small Australian export-oriented service and rural businesses.

The author was a member of a delegation that met with Senator Bob McMullan, Parliamentary Secretary for International Development Assistance, in March 2008 to discuss the issue of renewing Australia's membership of IFAD. Senator McMullan indicated at this meeting, and in subsequent correspondence, that Australia would be reviewing its previous decision to withdraw from IFAD over the next 12 months.

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<sup>6</sup> IBID: US\$4.12 million at exchange rate on 10/5/04. IFAD, *Submission 11.4*, p. 1.

## **Conclusions**

Renewal of Australia's IFAD membership has significant advantages, at minimal cost to Australia, in terms of influencing IFAD's multilateral investments to contribute to achieving Australia's aid objectives. The disadvantages of membership renewal are negligible.

## **2. The case for adopting an International Landcare<sup>7</sup> Approach as a strategy for aid delivery in Africa.**

The success of the Australian Landcare movement, now involving in excess of 3,000 farmer and urban groups, is internationally recognised. Landcare approaches involving community-based natural resource management and sustainable agriculture have now been adopted in 20 countries, most of which are developing countries and include at least 6 African countries. Landcare involves partnerships between government as policy maker and primary funder, non-government organisations, civil society and Landcare groups and Landcare communities.

Landcare has proven particularly effective in addressing the needs of resource-poor farmers in developing countries. Australian aid investments in South African Landcare between 2000 and 2003 (delivered through the AusAID-funded Institutional Strengthening of the National Department of Agriculture Project) had significant impacts on community-based natural resource management and sustainable agriculture (particularly focusing on resource-poor black communal farming communities) throughout all the provinces in that country. South African domestic support for the Landcare approach is now such that the national government has provided financial support for the development of an East African Landcare network in other less-developed African countries. Thus Australian aid investments in one African country have had multiplier impacts on other countries in the region. Similar success on a smaller scale has been achieved in the Philippines Landcare program, funded by the Australian Centre for International Agricultural Research (ACIAR).

International Landcare targets poverty alleviation and rural economic development, capacity building and good governance, while seeking sustainable natural resource management. The fundamental principle of Landcare involves empowering local people to take local action in their local areas to achieve a sustainable livelihood. Landcare provides a framework for individuals, community organisations, and government to work towards sustainable land use. This framework provides an umbrella for co-ordinated and co-operative actions to improve land management across the broader community.

The Landcare program in Southern and Eastern Africa and the Philippines is demonstrating success in achieving multiple development outcomes: sustainable rural development and natural resource management, within an approach that fosters economic development and natural resource management, poverty alleviation, capacity building and good governance. In these developing countries, Landcare is having a significant impact on addressing local priorities, especially food security, economic and social development, improved water supply and conservation of natural resources. The success of this concept relies

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<sup>7</sup> The author is an Australian member of the Landcare International Steering Committee.

on the strategy of establishing mutually beneficial partnerships of local people with governments, non-government organisations (NGOs), community-based organisations (CBOs), and research and educational organisations. The modest support AusAID has provided for Landcare in Southern and Eastern Africa, and elsewhere internationally, has had significant positive impacts. This experience demonstrated how relatively small investments can provide powerful multipliers for building governance capacity of governments, while at the same time addressing the pressing needs of poor and vulnerable communities. Landcare approaches are particularly useful for helping poor communities adapt to climate change.

A feasibility study has been completed as a first step in gaining international support for declaring an International Year of Landcare prior to presenting a case to the United Nations General Assembly. In June 2009, a copy of this feasibility study was forwarded to the Hon. Tony Burke, Minister for Agriculture Fisheries and Forestry, who gave his support for the concept, and in turn forwarded a copy of the study to the Hon. Stephen Smith MP., Minister for Foreign Affairs.<sup>8</sup>

However, despite these Landcare successes and the growing interest in international Landcare, ongoing support for a Landcare approach within Australia's aid program has been limited and non-strategic.

## **Conclusions**

There is a significant opportunity for Australian aid investments to build on this domestic and international Landcare success, and use what is effectively an Australian 'brand' in promoting international Landcare through the Australian aid program. The lessons learnt from Landcare in both Australia and a growing number of developing countries, can be applied within a capacity-building strategy for both African governments and poor and vulnerable African communities. Australia is internationally recognised as a leader in this field, but our aid program has yet not built upon this excellent opportunity to utilise the Landcare approach as a development strategy to the extent that it should.

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<sup>8</sup> Letter from Hon Tony Burke MP, Minister for Agriculture, Fisheries and Forestry to Mr Rob Youl, 23 September 2009.